



August 21, 2019

The Honorable Steven M. Glazer
California State Senate
State Capitol, Room 5108
Sacramento, CA 95814

Re: Senate Bill 531 (Glazer) – Oppose

Dear Senator Glazer:

On behalf of the City of Fresno, Mayor Lee Brand and the undersigned City Council majority are writing to respectfully express our opposition of Senate Bill 531 and the very adverse impacts it would have on the City of Fresno and similar municipalities throughout California.

The bill would hurt disadvantaged communities such as Fresno that have used performance-based incentives to promote economic vitality and create jobs. We are attaching a letter for background that explains our opposition

At the very least, we think SB 531 should be amended to allow cities such as Fresno who need the jobs created by these incentive agreements to lift their residents out of poverty. According to the U.S. Census Bureau, the official U.S. poverty rate is 12.3 percent. California's is 13.3 percent. In Fresno, it is 28.4 percent – more than double the state and federal averages.

Cities such as Fresno reap significant revenue benefits from these agreements, with Fresno projecting a net gain of \$99 million in tax revenue over the 30-year life of these agreements. In addition, these agreements will add \$164 million in revenue to Fresno County coffers and close to \$52 million to help educate children in our local school districts.

Thank you for your consideration of our position. We look forward to further discussions on how we might be able to work together to improve the lives of the people we represent.

Sincerely,

Lee Brand
Mayor, City of Fresno

Garry Bredefeld
Councilmember

Paul Caprioglio
Council President

Mike Karbassi
Councilmember

Luis Chavez
Councilmember

cc: The Honorable Anthony Rendon, Speaker, California State Assembly
The Honorable Toni Atkins, President pro Tempore, California State Senate
Che Salinas, Chief Deputy Legislative Affairs Secretary for Operations
Members of the State Assembly



County of Fresno

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State Capitol, Room 5108
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SUBJECT: SB 531 (Glazer) Local agencies: retailers – OPPOSE

Dear Senator Glazer:

On behalf of the Fresno County Board of Supervisors, I am writing to respectfully express our opposition to your bill, SB 531. This bill would restrict local governments from entering into agreements that result in a rebate of Bradley-Burns Uniform Local Sales Tax (Bradley-Burns) to a retailer in exchange for the retailer locating in the agency's jurisdiction beginning on January 1, 2020.

Specifically, this bill would reduce the ability of any local government to provide an incentive using Bradley-Burns and would change the place of sale to mean the place at which retail sales are consummated. Under existing law, Internet retailers may identify their warehouses or distribution centers as their places of sale when remitting Bradley-Burns, even though they may ship their taxable goods to locations across the state. As a result, a jurisdiction with more warehouses or distribution centers receive Bradley-Burns allocations that are disproportional to their purchases.

Fresno County supports economic development, including financial incentives that encourage the growth of new and existing businesses. SB 531 would usurp local control by removing an economic development tool available to local governments. Additionally, while this bill is supposed to create a more equitable distribution of resources, SB 531 would create winners and losers as revenues that are currently being provided to one jurisdiction would instead be allocated to other jurisdictions.

For all the aforementioned reasons, Fresno County respectfully opposes SB 531 unless it is amended to address the concerns outlined above. Thank you for your consideration of our requests.

Sincerely,

Nathan Magsig, Chairman
Fresno County Board of Supervisors

cc: Fresno County Board of Supervisors
Fresno County Legislative Delegation
Paul Yoder, Legislative Advocate
California State Association of Counties